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C O N F I D E N T I A L SECTION 01 OF 03 DHAKA 001979

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TAGS: [EAID](#) [ECON](#) [PGOV](#) [PREL](#) [MOPS](#) [BG](#)
SUBJECT: SCENESETTER FOR ADMIRAL WILLARD'S VISIT TO
BANGLADESH

REF: DHAKA 1902

Classified By: CDA a.i. Geeta Pasi, Reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: Your visit comes at the one-year mark of the Caretaker Government as Bangladesh begins to rehabilitate areas of the country hit by Cyclone Sidr, while at the same time continues to prepare for nationwide elections at the end of 2008. Bangladesh largely survived the immediate crisis caused by the cyclone, due in part to U.S. assistance, including support provided by the U.S. Pacific Command. The longer-term task of reconstruction will be particularly daunting given that Bangladesh is an impoverished country that already was hit by serious monsoon flooding earlier this year. These disasters come at a critical time for the Government, which has embarked on an ambitious political reform agenda that is to culminate in national elections by the end of next year.

¶2. (C) SUMMARY CONTINUED: Bangladeshis have embraced Government reforms to address chronic political corruption and violence. Public support for the Government, however, has been weakened by spiraling inflation, which crop damage from the cyclone has exacerbated. Politics is in a heightened state of flux, with two former prime ministers in jail facing trial on corruption charges and no politicians of similar stature coming to the fore of the major political parties. Behind the scenes, the army remains active in supporting the Caretaker Government and appears to share our interest in seeing it succeed. We continue to emphasize the need for the Government to adhere to its election roadmap and to international norms of justice and human rights, while also addressing the basic needs of Bangladesh's population. We also continue to encourage dialogue among the Caretaker Government, political parties and the military to reach a consensus on a political vision for the way forward. END SUMMARY.

CYCLONE RELIEF

¶3. (SBU) Cyclone Sidr slammed into the southern coast of Bangladesh on November 15, causing far-reaching damage across 30 of the country's 64 districts, affecting the lives of 8.9

million people, and resulting in as much as USD 2.3 million in economic damage. The Government of Bangladesh (GOB) estimates that as many as 3,400 people died as a result of the cyclone. While loss of life was great it was mitigated by strengthened disaster preparation, a focus of USAID's efforts here. (NOTE: Cyclones in Bangladesh of similar strength left 500,000 and 100,000 dead in 1970 and 1991, respectively. END NOTE.) Those who survived need food, water, shelter and a restoration of their livelihoods. The cyclone damaged or destroyed over 1.5 million homes. More than 640,000 hectares of crops were affected, 350,000 farm animals were lost, and 95 percent of the fish and shrimp ponds that are the basis of the nation's lucrative aquaculture industry were damaged.

14. (C) The U.S. government, including the U.S. military, has played a key role in assisting Bangladesh with disaster relief and management before, during and after Cyclone Sidr. In the past, USAID provided disaster management assistance to Bangladesh that was important for warning residents about the cyclone's approach and sheltering people when the cyclone made landfall. Immediately after the cyclone struck, the USG led the international response, providing USD 19.5 million in emergency relief materials as well as desperately needed airlift to deliver food, water and clothing to remote areas affected by the cyclone. Operation Sea Angel II was a success, both in its mission to provide humanitarian assistance and disaster relief and in highlighting strong U.S. relations with a moderate Muslim nation. The role played by the U.S. Navy, with the vital contributions of the U.S.S. Kearsarge and the U.S.S. Tarawa, was critical to the success of the mission.

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15. (C) Now that the immediate crisis has passed we are focused on longer-term reconstruction and rehabilitation. USAID is proposing the USG continue its cyclone relief efforts with an additional USD 150 million over the next three years to aid in the re-building of agriculture and aquaculture industries, reconstruction of rural electrification networks and disaster mitigation. We also are recommending an allotment of 100,000 metric tons of food to assist Bangladesh with food security; the nation's food stockpiles could be depleted by spring as Bangladesh struggles to meet the medium-term food needs of cyclone victims. Military engagement in support of cyclone relief will also continue, in part through civilian affairs, engineering and information projects.

THE POLITICAL SCENE

16. (C) The Caretaker Government (CTG) came to power in January 2007 as political violence was spinning out of control in the run-up to scheduled elections later that month. The CTG, made up of 10 non-political advisers and strongly supported by the military, imposed a state of emergency and began cracking down on endemic political corruption and violence. The crackdown initially won broad public support, but frustration with the CTG spilled onto the streets in late August, as a minor dispute at Dhaka University became a rallying point for thousands of Bangladeshis disaffected by inflation, other economic woes and restrictions on political activity. The Caretaker Government stopped the protests by imposing a curfew backed up by a show of force from the army. The August riots seem to have been a wake up call for the Government and its supporters. Government leaders acknowledged privately to us and others the need to stick to the elections roadmap, to open up political discourse, and to communicate more effectively with the public.

17. (C) Bangladeshis welcomed in September an easing of the ban on politics and the initiation of formal dialogue

between the Election Commission and the parties on political reform. The relaxation of the ban threw internal party disputes into sharp relief. The most visible struggle is within the Bangladesh Nationalist Party (BNP), which governed the country from 2001 to 2006 under former Prime Minister Khaleda Zia. When jailed in early September, Zia fired the reform-minded party Secretary General and replaced him with a loyalist. In a contested party meeting in early November, two reformist party leaders were named acting chairman and acting secretary general, but the appointments have been hotly contested by Zia loyalists. The Awami League, the other major party, has also experienced internal strife between reformers and loyalists to former Prime Minister Sheikh Hasina, but both sides accept her hand-picked protege as acting party president while she is in jail.

18. (C) In the midst of this political jockeying, voter registration continues in preparation for national elections scheduled by December 2008. While the mechanics of holding elections seem to be largely on track, there is still much debate about an "exit strategy" for the Caretaker Government and the military, who fear retribution from a resurgent political class that has been the main target of the anti-corruption campaign.

ECONOMIC CHALLENGES

19. (C) Cyclone Sidr exacerbated worsening economic trends in Bangladesh. Inflation was becoming a serious problem even before the cyclone, and investment was slowing as investors assessed the effects of the anti-corruption drive and the Caretaker Government's implementation capacity. High

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world prices for food and fuel hit Bangladesh hard in the wake of severe monsoonal flooding in the summer. Within days of the cyclone, prices of onions and other essential foodstuffs were again on the rise. Cyclone reconstruction is yet another enormous economic burden the current government must shoulder. The Asian Development Bank estimates GDP growth in Bangladesh this year will fall below 6.0 percent from last year's growth of 6.5 percent.

ROLE OF THE MILITARY

10. (C) The Bangladesh Army is by far the largest of the three military services in Bangladesh, with the Navy and Air Force a distant second and third. The military provides support to the Caretaker Government in a variety of ways, from cyclone relief to monitoring basic food prices to assisting in voter registration. The Directorate General Forces Intelligence (DGFI), the counterpart to DIA, has been active in supporting the regime and has negotiated with political leaders. Army Chief General Moeen Uddin Ahmed repeatedly states that he has no political ambitions, even as he assumes by default a higher public profile than the Chief Adviser, who is the top official in the Caretaker Government. There are periodic reports of divisions within the Army, but no indications exist that Moeen faces any serious threats to his continued tenure as Chief. Moeen and others appear content to remain in the background, providing support to the Caretaker Government and ensuring that the Army's institutional interests are protected. There is concern in the cantonment about the Army's exit strategy, i.e. how to ensure a newly elected government maintains reforms and refrains from settling scores. To this end, among the reforms being discussed is the establishment of a National Security Council that will insulate the military from civilian retribution.

YOUR VISIT

11. (C) Your visit to Bangladesh will underscore continued USG support for Bangladesh and the Caretaker Government as it works to respond to the cyclone's devastation and keep the country on the path to free and fair elections by the end of 2008. The GOB -- and particularly the military -- appreciated Admiral Keating's visit soon after the cyclone hit. Bangladesh is a friendly Muslim-majority nation that has played a responsible role internationally (especially in peacekeeping operations) and is going through a difficult political transition. In your meetings you should focus on the importance the USG places on engagement and strengthening the bilateral relationship and our commitment to remain engaged in helping Bangladesh recover from the cyclone. Navy-navy engagement with Bangladesh is limited, but positive, with plans for increased engagement in the future.

The Bangladeshi Chief of Naval Staff attended the International Seapower Symposium and met with U.S. CNO and yourself. The Bangladeshis will be familiar with the development of our new maritime strategy and the concept of the "1,000 ship navy." They will also recognize the important role played by the USN during Operation Sea Angel II. Working with both Bangladesh's navy and coast guard (which is led by Bangladesh Navy Officers on secondment), we are looking at ways to strengthen naval engagement with Bangladesh. We are focused on helping Bangladesh secure its long and porous coastline to make it less vulnerable to exploitation by terrorist groups that may seek refuge or transit through Bangladesh. We are also focused on port security issues related to the main shipping hub in Chittagong as well as other ports of entry.

Pasi